

AMENDED IN SENATE JUNE 10, 2014

AMENDED IN SENATE FEBRUARY 20, 2014

AMENDED IN SENATE FEBRUARY 12, 2014

SENATE BILL

No. 848

Introduced by Senator Wolk

**(Coauthors: Senators *De León*, *DeSaulnier*, *Hancock*, *Hueso*, *Pavley*,
and *Steinberg*)**

(Coauthor: Assembly Member Bonilla)

January 9, 2014

An act to repeal and add Division 26.7 (commencing with Section 79700) of the Water Code, and to repeal Section 2 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, relating to a safe drinking water, water quality, and water supply program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 848, as amended, Wolk. Safe Drinking Water, Water Quality, and Water Supply Act of 2014.

(1) Existing law creates the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. Existing law provides for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

This bill would repeal these provisions.

(2) Under existing law, various measures have been approved by the voters to provide funds for water supply and protection facilities and programs.

This bill would enact the Safe Drinking Water, Water Quality, and Water Supply Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of ~~-\$6,825,000,000~~ \$10,500,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water, water quality, and water supply program.

The bill would provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

(3) Existing law, the Water Conservation and Water Quality Bond Law of 1986, approved by the voters at the June 3, 1986, statewide primary election, authorizes the issuance of general obligation bonds in the amount of \$150,000,000 for the Department of Water Resources to make prescribed loans to local agencies for the purposes of financing a water conservation and water quality program. Existing law, the Water Conservation Bond Law of 1988, approved by the voters at the November 8, 1988, statewide general election, authorizes the issuance of general obligation bonds in the amount of \$60,000,000 for the Department of Water Resources to make prescribed loans to local agencies for the purposes of financing a water conservation program. Existing law, the Safe, Clean, Reliable Water Supply Act, a bond act approved by the voters as Proposition 204 at the November 5, 1996, statewide general election, authorizes the issuance of general obligation bonds in the amount of \$995,000,000 for grants, loans, and direct expenditures for the purposes of financing a safe, clean, reliable water supply program. Existing law, the Costa-Machado Water Act of 2000, a bond act approved by the voters as Proposition 13 at the March 7, 2000, statewide primary election, authorizes the issuance of general obligation bonds in the amount of \$1,970,000,000 for grants, loans, and direct expenditures for the purposes of financing a safe drinking water, clean water, watershed protection, and flood protection program.

This bill would authorize the Legislature to appropriate ~~funds~~ *any unencumbered proceeds of bonds* from the above-described bond acts *in their respective bond funds as of November 5, 2014*, for ~~grants and direct expenditures to accomplish~~ prescribed purposes ~~relating to water supply enhancement~~ as described in the Safe Drinking Water, Water Quality, and Water Supply Act of 2014. This bill would provide for the

submission of these provisions to the voters at the November 4, 2014, statewide general election.

(4) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Division 26.7 (commencing with Section 79700)
2 of the Water Code, as added by Section 1 of Chapter 3 of the
3 Seventh Extraordinary Session of the Statutes of 2009, is repealed.

4 SEC. 2. Division 26.7 (commencing with Section 79700) is
5 added to the Water Code, to read:

6
7 DIVISION 26.7. THE SAFE DRINKING WATER, WATER
8 QUALITY, AND WATER SUPPLY ACT OF 2014

9
10 CHAPTER 1. SHORT TITLE

11
12 79700. This division shall be known and may be cited as the
13 Safe Drinking Water, Water Quality, and Water Supply Act of
14 2014.

15
16 CHAPTER 2. FINDINGS AND DECLARATIONS

17
18 79705. In placing this measure before the voters, the Legislature
19 finds and declares that all of the following are in the public's
20 interest:

21 (a) Ensuring that safe drinking water is available to all
22 Californians.

23 (b) Protecting water quality and cleaning up contaminated water
24 sources.

25 (c) Increasing water supply and water supply reliability.

26 (d) Assisting each region of the state in improving local water
27 supply reliability and water quality.

28 (e) Resolving water-related ~~conflicts~~, *conflicts and* improving
29 local and regional water self-sufficiency, and ~~reducing reliance on~~
30 ~~imported water~~ *self-reliance*.

1 (f) Protecting the rivers, lakes, and streams of the state from
2 pollution, loss of water quality, and destruction of fish and wildlife
3 habitat.

4 79706. The Legislature further finds and declares that to
5 achieve the public interest objectives under Section 79705, it is
6 necessary to invest state resources in the following:

7 (a) Safe drinking water projects, especially projects addressing
8 the needs of disadvantaged communities, and financing urgent
9 public health emergency actions to ensure safe drinking water
10 supplies.

11 (b) Wastewater treatment projects to keep contaminants out of
12 rivers, lakes, streams, and coastal waters.

13 (c) Projects to enhance water supplies and increase water supply
14 reliability through the following:

15 (1) Urban and agricultural water conservation and water use
16 efficiency projects.

17 (2) Groundwater ~~cleanup~~ *clean up* or pollution prevention in
18 sources of drinking water.

19 (3) Water recycling projects.

20 (4) Projects to desalinate brackish and ocean water.

21 (5) Stormwater capture and reuse.

22 (6) *Sustainable groundwater management.*

23 (d) Projects that improve Delta water quality, restore ecosystems,
24 protect fish populations, and increase community sustainability.

25 (e) Projects that reduce the risk of levee failure and flood in the
26 Delta.

27 (f) Projects to protect and restore watersheds and urban rivers,
28 and address water quality deficiencies at state parks.

29 (g) Projects to develop additional water storage, both surface
30 and groundwater storage, through the following:

31 (1) New surface storage projects.

32 (2) Groundwater storage projects and groundwater
33 contamination prevention or remediation projects that create
34 additional groundwater storage capacity.

35 (3) Projects that restore the capacity of reservoirs currently
36 impaired by sediment buildup, seismic vulnerability, or other
37 impairment.

CHAPTER 3. PURPOSE

79708. An agency allocating funds provided by this division shall prioritize investment in projects that provide drought relief, safe drinking water, and water use efficiency improvements necessary to increase the sustainability of California’s water systems.

CHAPTER 3.4. DEFINITIONS

79710. Unless the context otherwise requires, the definitions set forth in this section govern the construction of this division, as follows:

- (a) “Commission” means the California Water Commission.
- ~~(b) “Committee” means the director and the chair of the state board.~~
- ~~(c)~~
- (b) “Delta” means the Sacramento-San Joaquin Delta as defined in Section 85058.
- ~~(d)~~
- (c) “Delta counties” means Contra Costa, Sacramento, San Joaquin, Solano, and Yolo counties.
- ~~(e)~~
- (d) “Department” means the Department of Water Resources.
- ~~(f)~~
- (e) “Director” means the Director of Water Resources.
- ~~(g)~~
- (f) “Disadvantaged community” has the same meaning as set forth in subdivision (a) of Section 79505.5.
- ~~(h)~~
- (g) “Finance committee” means the Safe Drinking Water, Water Quality, and Water Supply Finance Committee created by Section 79824.
- ~~(i)~~
- (h) “Fund” means the Safe Drinking Water, Water Quality, and Water Supply Fund of 2014 created by Section 79770.
- ~~(j)~~
- (i) “Initial operation and maintenance costs” mean those initial, eligible, reimbursable costs under a construction funding agreement

- 1 that are incurred up to, and including, initial startup testing of the
- 2 constructed project in order to deem the project complete.
- 3 ~~(k)~~
- 4 (j) “Integrated regional water management plan” means a
- 5 comprehensive plan for a defined geographic area that meets the
- 6 requirements of Part 2.2 (commencing with Section 10530) of
- 7 Division 6, as that part may be amended.
- 8 ~~(t)~~
- 9 (k) “Interim” means the limited period of time needed to address
- 10 the identified urgent need for safe drinking water, not to exceed
- 11 three years.
- 12 ~~(m)~~
- 13 (l) “Local match” and “matching funds” mean funds made
- 14 available by nonstate sources, which may include, but are not
- 15 limited to, donated services from nonstate sources.
- 16 ~~(n)~~
- 17 (m) “Nonprofit organization” means an organization qualified
- 18 to do business in California and qualified under Section 501(c)(3)
- 19 of Title 26 of the United States Code.
- 20 ~~(o)~~
- 21 (n) “Public agency” means a state agency or department, public
- 22 water system, special district, joint powers authority, city, county,
- 23 city and county, or other political subdivision of the state.
- 24 ~~(p)~~
- 25 (o) “Secretary” means the Secretary of the Natural Resources
- 26 Agency.
- 27 ~~(q)~~
- 28 (p) “Severely disadvantaged community” has the same meaning
- 29 as set forth in subdivision (n) of Section 116760.20 of the Health
- 30 and Safety Code.
- 31 ~~(r)~~
- 32 (q) “Small water system” means a public water system that
- 33 serves 15 or more service connections but not more than 3,000
- 34 persons and regularly serves drinking water to more than an
- 35 average of 25 individuals daily for more than 60 days out of the
- 36 year.
- 37 ~~(s)~~
- 38 (r) “State board” means the State Water Resources Control
- 39 Board.
- 40 ~~(t)~~

1 (s) “State General Obligation Bond Law” means the State
2 General Obligation Bond Law (Chapter 4 (commencing with
3 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
4 Code).

5 ~~(t)~~

6 (t) “State small water system” means a ~~public water system~~
7 *system for the provision of piped water to the public for human*
8 *consumption* that serves at least 5, but no more than 14, service
9 connections and does not regularly serve drinking water to more
10 than an average of 25 individuals daily for more than 60 days out
11 of the year.

12
13 CHAPTER 4.5. SAFE DRINKING WATER ~~AND WATER~~
14 QUALITY PROJECTS
15

16 79720. (a) It is the intent of the ~~Legislature~~ *people* that this
17 chapter provide funds to ~~address the most critical water needs of~~
18 ~~the state, including the provision of safe drinking water to all~~
19 ~~Californians by improving safe drinking water supply reliability~~
20 ~~and financing urgent public health emergency actions to ensure~~
21 ~~safe drinking water supplies, and implementing wastewater~~
22 ~~treatment projects to keep contaminants out of rivers, lakes,~~
23 ~~streams, groundwater, and coastal waters. ensure the provision of~~
24 ~~safe drinking water to all Californians and to increase the~~
25 ~~reliability of water supply for safe drinking water and other~~
26 ~~purposes.~~

27 (b) The sum of ~~nine hundred million dollars (\$900,000,000)~~
28 ~~three billion twenty million dollars (\$3,020,000,000)~~ shall be
29 available for the purposes of this chapter.

30 79721. *From the funds described in Section 79720, one hundred*
31 *million dollars (\$100,000,000) shall be available to the state board*
32 *for grants and direct expenditures to finance urgent actions needed*
33 *to provide drinking water in communities that lack access to safe*
34 *drinking water to ensure that safe drinking water supplies are*
35 *available to all Californians. Grants and direct expenditures shall*
36 *be exempt from contracting and procurement requirements to the*
37 *extent necessary to take immediate action to protect public health*
38 *and safety. Grants awarded pursuant to this section shall not*
39 *exceed two hundred fifty thousand dollars (\$250,000). Eligible*
40 *actions include, but are not limited to, the following:*

1 (a) *Providing interim water supplies, for a period not to exceed*
2 *three years, where necessary to protect public health, including*
3 *the design, purchase, installation, and operation and maintenance*
4 *of interim water treatment equipment and systems.*

5 (b) *Improvements in existing water systems, including, but not*
6 *limited to, design and construction of improvements necessary to*
7 *resume delivery of safe drinking water.*

8 (c) *Establishing connections to an adjacent water system.*

9 (d) *Urgent wastewater treatment projects in order to prevent*
10 *the contamination of a drinking water source.*

11 79722. (a) From the funds described in Section 79720, four
12 hundred million dollars (\$400,000,000) shall be available to the
13 state board for grants and loans for public water system
14 infrastructure improvements and related actions to meet primary
15 or secondary safe drinking water standards or contaminants
16 identified by the state or federal government for development of
17 a primary or secondary drinking water standard and ensure
18 affordable drinking water. Priority shall be given to projects that
19 provide treatment for contamination or access to alternative
20 drinking water sources ~~for small water systems or state small water~~
21 ~~systems serving disadvantaged communities whose drinking water~~
22 ~~source is in areas where drinking water sources have been impaired~~
23 by chemical and nitrate contaminants and other health hazards
24 identified by the state board. Eligible recipients either operate
25 small water systems or state small water systems in disadvantaged
26 ~~communities.~~ *communities or are public agencies that are*
27 *authorized to act on behalf of those systems.* The state board may
28 make grants for the purpose of financing feasibility studies and to
29 meet the eligibility requirements for a construction grant. Eligible
30 expenses may include initial operation and maintenance costs for
31 systems serving disadvantaged communities. Special consideration
32 will be given to projects that provide shared solutions for multiple
33 communities, at least one of which is a disadvantaged community
34 served by a small or state small water system or private well and
35 that lacks safe, affordable drinking water. Construction grants shall
36 be limited to five million dollars (\$5,000,000) per project, except
37 that the state board may set a limit of not more than twenty million
38 dollars (\$20,000,000) for projects that provide regional or shared
39 solutions among multiple entities, at least one of which is a small

1 disadvantaged community. Not more than 25 percent of a grant
2 may be awarded in advance of actual expenditures.

3 (b) The state board may expend up to twenty-five million dollars
4 (\$25,000,000) of the funds allocated in subdivision (a) for technical
5 assistance to eligible communities.

6 (c) At least 10 percent of the funds available pursuant to this
7 section shall be allocated for projects serving severely
8 disadvantaged communities.

9 (d) Of the funds available pursuant to subdivision (c), the state
10 board may expend up to ten million dollars (\$10,000,000) to
11 finance development and demonstration of new technologies and
12 related facilities for water contaminant removal and treatment
13 appropriate for use by small water systems and state small water
14 systems.

15 ~~(e) The state board shall deposit (1) Up to two million five~~
16 ~~hundred thousand dollars (\$2,500,000) of the funds available~~
17 ~~pursuant to this section into the Drinking Water Capitol Reserve~~
18 ~~Fund, which is hereby created in the State Treasury. Moneys in~~
19 ~~the fund, shall be available, upon appropriation by the Legislature~~
20 ~~and shall be administered by the state board for the purpose of~~
21 ~~serving as matching funds for small, disadvantaged communities.~~
22 ~~The state board shall develop criteria to implement this subdivision.~~
23 ~~may be available as temporary initial funding for a pooled capital~~
24 ~~reserve among small water systems and state small water systems.~~
25 ~~This pooled capital reserve would be administered by the state~~
26 ~~board. The purpose of the pooled capital reserve would be to allow~~
27 ~~participating systems to collect sufficient financial capacity from~~
28 ~~the system's ratepayers over an affordable schedule. The funds~~
29 ~~available pursuant to this subdivision shall be utilized only if the~~
30 ~~state board determines that there are insufficient deposits from~~
31 ~~any participating small water systems and state small water~~
32 ~~systems in the pooled capital reserve. If bond funds will be used~~
33 ~~pursuant to this subdivision, the state board shall develop criteria~~
34 ~~to implement this subdivision that includes full repayment~~
35 ~~provisions for any withdrawals from the pooled capital reserve.~~

36 (2) ~~This subdivision shall become inoperative on January 1,~~
37 ~~2024.~~

38 ~~79723. (a) From the funds described in Section 79720, four~~
39 ~~hundred million dollars (\$400,000,000) shall be available to the~~
40 ~~state board for deposit in the State Water Pollution Control~~

1 ~~Revolving Fund Small Community Grant Fund established by~~
2 ~~Section 13477.6 for grants for wastewater treatment projects to~~
3 ~~keep contaminants out of rivers, lakes, streams, groundwater, and~~
4 ~~coastal waters, and for other projects to protect the public and fish~~
5 ~~and wildlife from contaminated sources of water. Priority shall be~~
6 ~~given to projects that serve disadvantaged communities and~~
7 ~~severely disadvantaged communities, and to projects that address~~
8 ~~public health hazards. Special consideration shall be given to small~~
9 ~~communities with limited financial resources. Projects shall~~
10 ~~include, but not be limited to, projects that identify, plan, design,~~
11 ~~and implement regional mechanisms to consolidate wastewater~~
12 ~~systems or provide affordable treatment technologies.~~

13 ~~(b) The state board may expend up to ten million dollars~~
14 ~~(\$10,000,000) of the funds allocated in subdivision (a) for technical~~
15 ~~assistance to eligible communities.~~

16 ~~(c) From the funds available pursuant to subdivision (a), twenty~~
17 ~~million dollars (\$20,000,000) shall be allocated to the state board~~
18 ~~for deposit into the Domestic Well and Septic Systems Investment~~
19 ~~Fund, which is hereby created in the State Treasury. Moneys in~~
20 ~~the fund shall be available, upon appropriation by the Legislature,~~
21 ~~for the purpose of providing grants and loans to domestic well and~~
22 ~~septic owners to protect drinking water sources and ensure safe~~
23 ~~and affordable drinking water for all Californians. The state board~~
24 ~~shall develop criteria for the allocation of these grants and loans~~
25 ~~that specifies these are for the benefit of small communities to~~
26 ~~treat drinking water or protect drinking water from contamination~~
27 ~~and includes an income threshold equivalent to the definition of a~~
28 ~~disadvantaged community.~~

29 ~~79724. From the funds described in Section 79720, one hundred~~
30 ~~million dollars (\$100,000,000) shall be available to the state board~~
31 ~~for grants and direct expenditures to finance urgent actions needed~~
32 ~~to provide drinking water in disadvantaged and severely~~
33 ~~disadvantaged communities that lack access to safe drinking water~~
34 ~~to ensure that safe drinking water supplies are available to all~~
35 ~~Californians. Grants awarded pursuant to this section shall not~~
36 ~~exceed two hundred fifty thousand dollars (\$250,000). Eligible~~
37 ~~actions include, but are not limited to, the following:~~

38 ~~(a) Providing interim water supplies, for a period not to exceed~~
39 ~~three years, where necessary to protect public health, including~~

1 the design, purchase, installation, and operation and maintenance
2 of interim water treatment equipment and systems.

3 (b) Improvements in existing water systems, including, but not
4 limited to, design, and construction of improvements necessary to
5 resume delivery of safe drinking water.

6 (c) Establishing connections to an adjacent water system.

7 (d) Urgent wastewater treatment projects in order to prevent the
8 contamination of a drinking water source.

9 ~~79725. The state board may administer together the funds
10 allocated pursuant to subdivision (b) of Section 79722 and
11 subdivision (b) of Section 79724.~~

12 ~~79726. It is the intent of the Legislature that any funds allocated
13 pursuant to this chapter to an investor-owned utility regulated by
14 the Public Utilities Commission or a mutual water company should
15 be for the benefit of the ratepayers or the public and not the
16 investors.~~

17 ~~79727. In allocating funds pursuant to this chapter, the state
18 board shall consider a written statement prepared by a local agency
19 formation commission regarding the consolidation or extension
20 of, or other shared solutions for, water or sewer services.~~

21 ~~79723. The state board may administer together the funds
22 allocated pursuant to subdivision (b) of Section 79722 and
23 subdivision (b) of Section 79721.~~

24 ~~79724. (a) From the funds described in Section 79720, one
25 billion four hundred million dollars (\$1,400,000,000) shall be
26 available to the department for competitive grants for projects
27 that implement an adopted integrated regional water management
28 plan consistent with Part 2.2 (commencing with Section 10530)
29 of Division 6, as that part may be amended.~~

30 ~~(b) Eligible projects are those that improve the quality or supply
31 of safe drinking water, increase regional water self-reliance, or
32 address any of the following other critical water supply reliability
33 issues:~~

34 ~~(1) Groundwater clean up or pollution prevention in sources
35 of drinking water.~~

36 ~~(2) Advanced water treatment technology projects to remove
37 contaminants from drinking water, water recycling, and related
38 projects, such as distribution or groundwater recharge
39 infrastructure.~~

- 1 (3) *Urban and agricultural water conservation and water use*
2 *efficiency projects.*
- 3 (4) *Water reuse and recycling for nonpotable reuse and direct*
4 *and indirect potable reuse.*
- 5 (5) *The repair or replacement of aging water management*
6 *infrastructure in disadvantaged communities.*
- 7 (6) *Other integrated water infrastructure projects that address*
8 *one or more water management activities and improve the*
9 *reliability or quality of regional water supplies.*
- 10 (7) *Brackish groundwater and ocean water desalination*
11 *projects.*
- 12 (8) *Groundwater storage.*
- 13 (9) *Recycled water storage.*
- 14 (10) *Sediment removal to improve storage.*
- 15 (11) *Dam seismic retrofit.*
- 16 (12) *Local and regional conveyance projects that will improve*
17 *regional connectivity and maximize the benefits of existing water*
18 *storage.*
- 19 (c) *Funds made available pursuant to this section shall be*
20 *available upon appropriation to, and shall be administered by,*
21 *the department, in close collaboration with the state board. Specific*
22 *project and planning grant awards shall be selected jointly by the*
23 *director and chair of the state board.*
- 24 (d) *Projects funded pursuant to this section shall require a local*
25 *match of not less than 25 percent of project costs, except the*
26 *department may suspend or reduce cost share requirements for*
27 *projects serving disadvantaged communities or that reduce reliance*
28 *on the Delta, consistent with Section 85021.*
- 29 (e) *To be eligible for funding under this section, a region shall*
30 *comply with the following requirements:*
- 31 (1) *Have an adopted integrated regional water management*
32 *plan.*
- 33 (2) *Each urban and agricultural water supplier that would*
34 *benefit from a project shall adopt and submit an urban or*
35 *agricultural water management plan in accordance with the Urban*
36 *Water Management Planning Act (Part 2.6 (commencing with*
37 *Section 10610) of Division 6) or the Agricultural Water*
38 *Management Planning Act (Part 2.8 (commencing with Section*
39 *10800) of Division 6). Urban or agricultural water management*
40 *plans shall be certified by the department as meeting the*

1 *requirements of the Urban Water Management Planning Act or*
2 *the Agricultural Water Management Planning Act, and Sections*
3 *10608.56 and 10631.5, as those provisions may be amended.*

4 (3) *Each local agency whose service area includes a*
5 *groundwater basin or subbasin that would benefit from a*
6 *groundwater management project shall adopt and submit a*
7 *groundwater management plan in accordance with groundwater*
8 *management planning requirements established under Division 6*
9 *(commencing with Section 10000). Groundwater management*
10 *plans shall be certified by the administering state agency as*
11 *meeting the groundwater management planning requirements.*

12 (4) (A) *Have a water budget that describes local and imported*
13 *water supplies and uses in sufficient detail to inform long-term*
14 *efforts towards sustainable water management and, where*
15 *applicable, include a description of the measures taken to comply*
16 *with Section 85021.*

17 (B) *The department shall develop guidelines for compliance*
18 *with this paragraph.*

19 (5) *Where applicable, an integrated water management plan*
20 *shall be consistent with and implement Section 85021.*

21 79725. *The California Water Commission shall review the*
22 *implementation of Section 79724 and shall certify that requirements*
23 *for grant eligibility pursuant to that section are met prior to the*
24 *department making final grant awards.*

25 79726. *Funding described in Section 79724 shall be allocated*
26 *to hydrologic regions as identified in the California Water Plan*
27 *and listed below. For the South Coast Region, the department shall*
28 *establish three subregions that reflect the San Diego County*
29 *watersheds, the Santa Ana River watershed, and the Los*
30 *Angeles-Ventura County watersheds respectively, and allocate*
31 *funds to those subregions. The North and South Lahontan regions*
32 *shall be treated as one region for the purpose of allocating funds,*
33 *but the department may require separate regional plans. Funds*
34 *available pursuant to this section shall be allocated in accordance*
35 *with the following schedule:*

36 (a) *Sixty-five million dollars (\$65,000,000) for the North Coast*
37 *hydrologic region.*

38 (b) *One hundred ninety-five million dollars (\$195,000,000) for*
39 *the San Francisco Bay hydrologic region.*

1 (c) Eighty-five million dollars (\$85,000,000) for the Central
2 Coast hydrologic region.

3 (d) Two hundred eighty-four million dollars (\$284,000,000) for
4 the Los Angeles subregion.

5 (e) One hundred seventy-four million dollars (\$174,000,000)
6 for the Santa Ana subregion.

7 (f) One hundred thirty-eight million dollars (\$138,000,000) for
8 the San Diego hydrologic region.

9 (g) One hundred eighteen million dollars (\$118,000,000) for
10 the Sacramento River hydrologic region.

11 (h) Ninety-eight million dollars (\$98,000,000) for the San
12 Joaquin River hydrologic region.

13 (i) One hundred two million dollars (\$102,000,000) for the
14 Tulare/Kern hydrologic region.

15 (j) Seventy-four million dollars (\$74,000,000) for the
16 North/South Lahontan hydrologic region.

17 (k) Sixty-seven million dollars (\$67,000,000) for the Colorado
18 River Basin hydrologic region.

19 79727. (a) Prevention and cleanup of groundwater
20 contamination are critical components of successful groundwater
21 management. Groundwater quality becomes especially important
22 as water providers do the following:

23 (1) Evaluate investments in groundwater recharge with surface
24 water, stormwater, recycled water, and other conjunctive use
25 projects that augment local groundwater supplies to improve
26 regional water self-reliance.

27 (2) Adapt to changing hydrologic conditions brought on by
28 climate change.

29 (3) Consider developing groundwater basins to provide much
30 needed local storage options to accommodate hydrologic and
31 regulatory variability in the state's water delivery system.

32 (4) Evaluate investments in groundwater recovery projects.

33 (b) From the funds described in Section 79720, one billion
34 dollars (\$1,000,000,000) shall be available to the state board for
35 construction grants and loans for treatment and remediation
36 projects that prevent or reduce the contamination of groundwater
37 that serves as a source of drinking water.

38 (c) For the purposes of awarding funding pursuant to this
39 section, a local cost share of not less than 50 percent of the total
40 costs of the project shall be required. The cost-sharing requirement

1 *may be waived or reduced for projects that directly benefit a*
2 *disadvantaged community.*

3 *(d) At least 10 percent of the funds available pursuant to this*
4 *section shall be allocated for projects serving severely*
5 *disadvantaged communities.*

6 *(e) Funding authorized pursuant to this section shall include*
7 *funding for technical assistance to disadvantaged communities.*
8 *The state board shall operate a multidisciplinary technical*
9 *assistance program for small and disadvantaged communities.*

10 *(f) Priority shall be given to projects that do any of the*
11 *following:*

12 *(1) Have commenced a characterization study, consistent with*
13 *the State Department of Public Health's Procedure Memorandum*
14 *97-005, and issued a notice of preparation for an environmental*
15 *impact report.*

16 *(2) Will address contamination at a site on the list maintained*
17 *by the Department of Toxic Substances Control pursuant to Section*
18 *25356 of the Health and Safety Code or listed on the National*
19 *Priorities List established pursuant to Section 105 of the*
20 *Comprehensive Environmental Response, Compensation, and*
21 *Liability Act of 1980 (42 U.S.C. Sec. 9605(a)(8)(B)).*

22 *(3) Prevents or minimizes salt water intrusion.*

23 *(g) The state board shall require grantees to do the following:*

24 *(1) Make reasonable efforts to attempt to recover the costs of*
25 *cleanup from the parties responsible for the contamination. A*
26 *grantee shall not be required to seek cost recovery related to the*
27 *costs of response actions apportioned to responsible parties who*
28 *are insolvent or cannot be identified or located, or when a*
29 *requirement to seek cost recovery would impose a financial*
30 *hardship on the grantee.*

31 *(2) Repay grant funds that are subsequently recovered from*
32 *parties responsible for the groundwater contamination.*

33 *79728. From the funds described in Section 79720, twenty*
34 *million dollars (\$20,000,000) shall be available to the Department*
35 *of Parks and Recreation to address public health deficiencies in*
36 *drinking water and wastewater quality at state parks.*

37 *79729. From the funds described in Section 79720, one hundred*
38 *million dollars (\$100,000,000) shall be made available for*
39 *competitive grants for projects that develop groundwater*
40 *management plans, consistent with existing groundwater*

1 *management planning requirements in Division 6 (commencing*
 2 *with Section 10000), that further sustainable groundwater*
 3 *management.*

4
 5 CHAPTER 5.6. WATER-SUPPLY ENHANCEMENT QUALITY
 6 PROJECTS
 7

8 79730. (a) It is the intent of the ~~Legislature~~ *people* that this
 9 chapter provide funds to ~~enhance water supplies and increase water~~
 10 ~~supply reliability.~~ *protect water quality in the rivers, lakes, streams,*
 11 *and coastal waters of the state, to assist in meeting the Federal*
 12 *Water Pollution Control Act (33 U.S.C. Sec. 1251 et seq.) and*
 13 *other state and federal requirements for the protection of water*
 14 *quality, public health, and endangered species, and to protect or*
 15 *restore natural systems that contribute to water supply, water*
 16 *quality, or flood management.*

17 (b) The sum of ~~two billion dollars (\$2,000,000,000)~~ *three billion*
 18 *one hundred eighty million dollars (\$3,180,000,000)* shall be
 19 available for the purposes of this chapter.

20 79731. ~~(a) From the funds described in Section 79730, one~~
 21 ~~billion five hundred million dollars (\$1,500,000,000) shall be~~
 22 ~~available to the committee for competitive grants for projects that~~
 23 ~~develop, improve, or implement an adopted integrated regional~~
 24 ~~water management plan consistent with Part 2.2 (commencing~~
 25 ~~with Section 10530) of Division 6, as that part may be amended,~~
 26 ~~and improve the quality or supply of safe drinking water, reduce~~
 27 ~~the amount of water imported to the region, or address any of the~~
 28 ~~following other critical water supply reliability issues:~~

29 ~~(1) Groundwater clean up or pollution prevention in sources of~~
 30 ~~drinking water.~~

31 ~~(2) Advanced water treatment technology projects to remove~~
 32 ~~contaminants from drinking water, water recycling, and related~~
 33 ~~projects, such as distribution or groundwater recharge~~
 34 ~~infrastructure.~~

35 ~~(3) Urban and agricultural water conservation and water use~~
 36 ~~efficiency projects.~~

37 ~~(4) Water recycling projects.~~

38 ~~(5) The repair or replacement of aging water management~~
 39 ~~infrastructure in disadvantaged communities.~~

1 ~~(6) Other integrated water infrastructure projects that address~~
2 ~~one or more water management activities and improve the~~
3 ~~reliability or quality of regional water supplies.~~

4 ~~(b) Projects funded pursuant to this section shall require a local~~
5 ~~match of not less than 25 percent of project costs, except the~~
6 ~~committee may suspend or reduce cost share requirements for~~
7 ~~projects serving disadvantaged communities or that result in a~~
8 ~~direct reduction in water imported from the Delta.~~

9 ~~(c) To be eligible for funding under this section, a region shall~~
10 ~~comply with the following requirements:~~

11 ~~(1) Have an adopted integrated regional water management~~
12 ~~plan.~~

13 ~~(2) Each urban and agricultural water supplier that would benefit~~
14 ~~from a project shall adopt and submit an urban or agricultural water~~
15 ~~management plan in accordance with the Urban Water Management~~
16 ~~Planning Act (Part 2.6 (commencing with Section 10610) of~~
17 ~~Division 6) or the Agricultural Water Management Planning Act~~
18 ~~(Part 2.8 (commencing with Section 10800) of Division 6). Urban~~
19 ~~or agricultural water management plans shall be certified by the~~
20 ~~department as meeting the requirements of the Urban Water~~
21 ~~Management Planning Act or the Agricultural Water Management~~
22 ~~Planning Act, and Sections 10608.56 and 10631.5, as those~~
23 ~~provisions may be amended.~~

24 ~~(3) Each local agency whose service area includes a groundwater~~
25 ~~basin or subbasin that would benefit from a groundwater~~
26 ~~management project shall adopt and submit a groundwater~~
27 ~~management plan in accordance with Part 2.75 (commencing with~~
28 ~~Section 10750) of Division 6. Groundwater management plans~~
29 ~~shall be certified by the department as meeting the requirements~~
30 ~~of Part 2.75 (commencing with Section 10750) of Division 6, as~~
31 ~~that part may be amended.~~

32 ~~(4) (A) Have a water budget that describes local and imported~~
33 ~~water supplies and uses in sufficient detail to inform long-term~~
34 ~~efforts towards sustainable water management, and, where~~
35 ~~applicable, include a description of any measures anticipated to~~
36 ~~reduce the amount of water imported to the region in the future.~~

37 ~~(B) The department shall develop guidelines for compliance~~
38 ~~with this paragraph.~~

39 ~~(5) Where applicable, an integrated water management plan~~
40 ~~shall be consistent with and implement Section 85021.~~

~~1 (d) Where applicable, funding pursuant to this section shall be
2 made available to water agencies to assist in directly reducing the
3 amount of water imported from the Delta.~~

~~4 79732. The California Water Commission shall review the
5 implementation of Section 79731 and shall certify that requirements
6 for grant eligibility pursuant to that section are met prior to the
7 department making final grant awards.~~

~~8 79733. Of the funds available pursuant to Section 79731, one
9 billion four hundred million dollars (\$1,400,000,000) shall be
10 allocated to hydrologic regions as identified in the California Water
11 Plan and listed below. For the South Coast Region, the department
12 shall establish three subregions that reflect the San Diego County
13 watersheds, the Santa Ana River watershed, and the Los
14 Angeles-Ventura County watersheds respectively, and allocate
15 funds to those subregions. The North and South Lahontan regions
16 shall be treated as one region for the purpose of allocating funds,
17 but the committee may require separate regional plans. Funds
18 available pursuant to this section shall be allocated in accordance
19 with the following schedule:~~

~~20 (a) North Coast: \$65,000,000.~~

~~21 (b) San Francisco Bay: \$195,000,000.~~

~~22 (c) Central Coast: \$85,000,000.~~

~~23 (d) Los Angeles subregion: \$284,000,000.~~

~~24 (e) Santa Ana subregion: \$174,000,000.~~

~~25 (f) San Diego subregion: \$138,000,000.~~

~~26 (g) Sacramento River: \$118,000,000.~~

~~27 (h) San Joaquin River: \$98,000,000.~~

~~28 (i) Tulare/Kern (Tulare Lake): \$102,000,000.~~

~~29 (j) North/South Lahontan: \$74,000,000.~~

~~30 (k) Colorado River Basin: \$67,000,000.~~

~~31 79734. (a) From the funds described in Section 79731, one
32 hundred million dollars (\$100,000,000) shall be available for grants
33 for projects that significantly advance the application and
34 effectiveness of innovative integrated regional water management
35 strategies, including, but not limited to, the following:~~

~~36 (1) Tools to model future regional climate change impacts.~~

~~37 (2) Groundwater management plans and projects that further
38 sustainable groundwater management.~~

~~39 (3) Other projects determined by the committee to advance
40 innovative strategies for the integration of water management.~~

1 ~~(b) The committee shall give priority to projects that address~~
2 ~~groundwater overdraft and related impacts, including, but not~~
3 ~~limited to, subsidenee.~~

4 79731. (a) From the funds described in Section 79730, four
5 hundred million dollars (\$400,000,000) shall be available to the
6 state board for deposit in the State Water Pollution Control
7 Revolving Fund Small Community Grant Fund established by
8 Section 13477.6 for grants for wastewater treatment projects to
9 keep contaminants out of rivers, lakes, streams, groundwater, and
10 coastal waters, and for other projects to protect the public and
11 fish and wildlife from contaminated sources of water. Priority
12 shall be given to projects that serve disadvantaged communities
13 and severely disadvantaged communities, and to projects that
14 address public health hazards. Special consideration shall be given
15 to small communities with limited financial resources. Projects
16 shall include, but not be limited to, projects that identify, plan,
17 design, and implement regional mechanisms to consolidate
18 wastewater systems or provide affordable treatment technologies.

19 (b) The state board may expend up to ten million dollars
20 (\$10,000,000) of the funds allocated in subdivision (a) for technical
21 assistance to eligible communities.

22 (c) From the funds available pursuant to subdivision (a), twenty
23 million dollars (\$20,000,000) shall be allocated to the state board
24 for deposit into the Domestic Well and Septic Systems Investment
25 Fund, which is hereby created in the State Treasury. Moneys in
26 the fund shall be available, upon appropriation by the Legislature,
27 for the purpose of providing grants and loans to domestic well
28 and septic owners to protect drinking water sources and ensure
29 safe and affordable drinking water for all Californians. The state
30 board shall develop criteria for the allocation of these grants and
31 loans that specifies these are for the benefit of small communities
32 to treat drinking water or protect drinking water from
33 contamination and includes an income threshold equivalent to the
34 definition of a disadvantaged community.

35 ~~79735.~~

36 79732. (a) From the funds described in Section 79730, five
37 hundred million dollars (\$500,000,000) shall be available to the
38 state board for competitive grants for projects that develop,
39 implement, or improve a stormwater capture and reuse plan
40 consistent with Part 2.3 (commencing with Section 10560) of

1 Division 6, as that part may be amended, and that capture and put
2 to beneficial use stormwater or dry weather runoff.

3 (b) Stormwater capture and reuse projects developed pursuant
4 to an adopted integrated regional water management plan in
5 compliance with Part 2.2 (commencing with Section 10530) of
6 Division 6 are also eligible for funding under this section if those
7 projects were identified and developed in substantive compliance
8 with Part 2.3 (commencing with Section 10560) of Division 6, as
9 those parts may be amended.

10 (c) Projects eligible for funding under this section shall assist
11 in the capture and reuse of stormwater or dry weather runoff.
12 Eligible projects include any of the following:

13 (1) Projects that capture, convey, treat, or put to beneficial use
14 stormwater or dry weather runoff.

15 (2) The development of stormwater capture and reuse plans
16 pursuant to Part 2.3 (commencing with Section 10560) of Division
17 6, as that part may be amended.

18 (3) Decision support tools, data acquisition, and data analysis
19 to identify and evaluate the benefits and costs of potential
20 stormwater capture and reuse projects.

21 (4) Projects that, in addition to capturing and reusing stormwater
22 or dry weather runoff, improve water quality, provide public
23 benefits, such as augmentation of water supply, flood control, open
24 space and recreation, and projects designed to mimic or restore
25 natural watershed functions.

26 (d) The state board shall grant special consideration to plans or
27 projects that provide multiple benefits such as water quality, water
28 supply, flood control, natural lands, or recreation.

29 (e) The state board shall require a 25-percent local cost share
30 for grant funds, but may suspend or reduce the matching
31 requirements for projects that capture or reuse stormwater or dry
32 weather runoff in disadvantaged communities.

33 (f) The state board shall adopt a policy establishing criteria for
34 projects funded by this section to ensure that a project funded
35 pursuant to this section complies with water quality laws and does
36 not put at risk any groundwater or surface water supplies.

37 (g) *No more than seventy-five million dollars (\$75,000,000)*
38 *shall be awarded for the development of stormwater capture and*
39 *reuse plans.*

1 79733. From the funds described in Section 79730, five hundred
2 million dollars (\$500,000,000) shall be available to the state board
3 for grants for water recycling and advanced treatment technology
4 projects, including all of the following:

5 (a) Water recycling projects, including, but not limited to,
6 treatment, storage, conveyance, and distribution facilities for
7 potable and nonpotable recycling projects.

8 (b) Contaminant and salt removal projects, including, but not
9 limited to, groundwater and seawater desalination and associated
10 treatment, storage, conveyance, and distribution facilities.

11 (c) Dedicated distribution infrastructure to serve residential,
12 commercial, agricultural, and industrial end-user retrofit projects
13 to allow the use of recycled water.

14 (d) Pilot projects for new salt and contaminant removal
15 technology.

16 (e) Groundwater recharge infrastructure related to recycled
17 water.

18 (f) Technical assistance and grant writing assistance for
19 disadvantaged communities.

20 79734. For the purpose of awarding funding under Section
21 79733, a local cost share of not less than 50 percent of the total
22 costs of the project shall be required. The cost-sharing requirement
23 may be waived or reduced for projects that directly benefit a
24 disadvantaged community.

25 79735. Projects funded pursuant to Section 79733 shall be
26 selected on a competitive basis, considering all of the following
27 criteria:

28 (a) Water supply reliability improvement.

29 (b) Water quality and ecosystem benefits related to decreased
30 reliance on diversions from the Delta or instream flows.

31 (c) Public health benefits from improved drinking water quality.

32 (d) Cost-effectiveness.

33 (e) Energy efficiency and greenhouse gas emission impacts.

34 (f) Reasonable geographic allocation to eligible projects
35 throughout the state, including both northern and southern
36 California and coastal and inland regions.

37 79736. For purposes of Section 79733, competitive programs
38 shall be implemented consistent with water recycling programs
39 administered pursuant to Sections 79140 and 79141 or consistent

1 with desalination programs administered pursuant to Sections
2 79545 and 79547.2.

3 79737. (a) From the funds described in Section 79730, the
4 sum of five hundred million dollars (\$500,000,000) shall be
5 available for water quality, river, and watershed protection and
6 restoration projects of statewide importance outside of the Delta.
7 Funds provided by this section shall be allocated according to the
8 following schedule:

9 (1) Two hundred fifty million dollars (\$250,000,000) to
10 implement the Klamath Hydroelectric Settlement Agreement. Up
11 to fifty million dollars (\$50,000,000) of the funds available
12 pursuant to this paragraph may be made available for restoration
13 projects in California pursuant to the Klamath Basin Restoration
14 Agreement if all of the funds available pursuant to this paragraph
15 are not needed for dam removal projects.

16 (2) One hundred million dollars (\$100,000,000) for projects
17 that help fulfill state obligations under Chapters 611, 612, and
18 613 of the Statutes of 2003, which were enacted to facilitate the
19 execution and implementation of the Quantification Settlement
20 Agreement, including restoration of the Salton Sea.

21 (3) One hundred million dollars (\$100,000,000) for projects
22 that help fulfill state obligations under the San Joaquin River
23 Restoration Settlement, as described in Part I of Subtitle A of Title
24 X of Public Law 111-11.

25 (4) Fifty million dollars (\$50,000,000) for projects that help
26 fulfill state obligations under the Tahoe Regional Planning
27 Compact pursuant to Section 66800 of the Government Code.
28 Funds provided by this paragraph shall be approved pursuant to
29 Title 7.42 (commencing with Section 66905) of the Government
30 Code, as those provisions may be amended.

31 (b) Expenditures funded by this section shall comply with Section
32 16727 of the Government Code.

33 79738. (a) From the funds described in Section 79730, the
34 sum of nine hundred twenty-five million dollars (\$925,000,000)
35 shall be available for projects that protect and improve
36 California's watersheds, wetlands, forests, and floodplains.

37 (b) Funds available pursuant to this section shall be allocated
38 as follows:

39 (1) Baldwin Hills Conservancy: fifteen million dollars
40 (\$15,000,000).

1 (2) *California Tahoe Conservancy: forty-five million dollars*
2 *(\$45,000,000).*

3 (3) *Coachella Valley Mountains Conservancy: twenty million*
4 *dollars (\$20,000,000).*

5 (4) *San Diego River Conservancy: twenty million dollars*
6 *(\$20,000,000).*

7 (5) *San Gabriel and Lower Los Angeles Rivers and Mountains*
8 *Conservancy: sixty-five million dollars (\$65,000,000).*

9 (6) *San Joaquin River Conservancy: twenty million dollars*
10 *(\$20,000,000).*

11 (7) *Santa Monica Mountains Conservancy: sixty-five million*
12 *dollars (\$65,000,000).*

13 (8) *Sierra Nevada Conservancy: one hundred fifteen million*
14 *dollars (\$115,000,000).*

15 (9) *State Coastal Conservancy: three hundred million dollars*
16 *(\$300,000,000).*

17 (10) *Wildlife Conservation Board: two hundred ten million*
18 *dollars (\$210,000,000).*

19 (11) *California Ocean Protection Council: fifty million dollars*
20 *(\$50,000,000).*

21 (c) *Of the funds allocated to the State Coastal Conservancy*
22 *pursuant to paragraph (9) of subdivision (b), one hundred sixty-five*
23 *million dollars (\$165,000,000) is available as follows:*

24 (1) *Fifty million dollars (\$50,000,000) shall be available for*
25 *projects that help restore coastal salmonid populations.*

26 (2) *Seventy-five million dollars (\$75,000,000) shall be available*
27 *for flood control projects on public lands that provide critical*
28 *flood, water quality, and wetland ecosystem benefits to the San*
29 *Francisco Bay region.*

30 (3) *Forty million dollars (\$40,000,000) shall be available for*
31 *projects that benefit the Santa Ana River watershed.*

32 (d) *Of the funds allocated to the San Gabriel and Lower Los*
33 *Angeles Rivers and Mountains Conservancy pursuant to paragraph*
34 *(5) of subdivision (b), up to fifteen million dollars (\$15,000,000)*
35 *shall be available for multibenefit coastal wetlands restoration*
36 *undertaken in coordination with the State Coastal Conservancy.*

37 (e) *Eligible projects include those that do any of the following:*

38 (1) *Reduce pollution or contamination of rivers, lakes, streams,*
39 *or coastal waters.*

1 (2) *Protect or restore rural or urban watershed functions that*
2 *contribute to water supply, water quality, or flood management.*

3 (3) *Protect and restore aquatic, coastal, wetland, and migratory*
4 *bird ecosystems, including fish and wildlife corridors.*

5 (4) *Implement adaptation and conservation projects that*
6 *improve the ability of California's watersheds, wetlands, forests,*
7 *and floodplains to reduce the impacts of climate change on*
8 *California's communities and ecosystems including through the*
9 *implementation of natural community conservation plans and*
10 *habitat conservation plans.*

11 (f) *Priority shall be given to projects with multiple benefits such*
12 *as increased water supply, improved water quality, and improved*
13 *local or regional water quality and water supply reliability that*
14 *builds the resilience of human communities and natural habitats*
15 *against the risks of prolonged drought or the exhaustion of water*
16 *supplies.*

17 (g) *An appropriation of funds available pursuant to this section*
18 *may include funds for planning, monitoring, and assessment of*
19 *the effectiveness of the programs and projects authorized for*
20 *funding.*

21 79739. (a) *From the funds described in Section 79730, two*
22 *hundred million dollars (\$200,000,000) shall be available to the*
23 *secretary for a competitive program to fund multibenefit watershed*
24 *and river enhancement projects in urban watersheds. Eligible*
25 *applicants are public agencies and nonprofit organizations.*
26 *Eligible projects shall improve watershed health, water quality,*
27 *or water supply reliability. All projects shall increase regional*
28 *and local water self-sufficiency and meet at least two or more of*
29 *the following objectives:*

30 (1) *Promote groundwater recharge and water reuse.*

31 (2) *Reduce energy consumption.*

32 (3) *Use soils, plants, and natural or designed processes to treat*
33 *and capture runoff.*

34 (4) *Create or restore native habitat.*

35 (5) *Increase regional and local resiliency and adaptability to*
36 *climate change.*

37 (6) *Further the purposes of the California Urban Forestry Act*
38 *of 1978 (Chapter 2 (commencing with Section 4799.06) of Part*
39 *2.4 of Division 4 of the Public Resources Code) with urban forestry*
40 *projects in the immediate proximity of the river.*

1 (b) At least 75 percent of the funds available pursuant to this
2 section shall be allocated for projects that are located in or in
3 close proximity to, major metropolitan cities for a river that has
4 adopted a revitalization plan as of January 1, 2014. Funds made
5 available by this subdivision are available for grants along the
6 entire river and its tributaries, not solely for those river reaches
7 covered by the revitalization plan.

8 79740. (a) From the funds described in Section 79730, thirty
9 million dollars (\$30,000,000) shall be available to the state board
10 to fund watershed activities by resource conservation districts.

11 (b) To be eligible for the funding available pursuant to this
12 section, the board of a resource conservation district shall be
13 appointed by the local county board of supervisors.

14 79741. From the funds described in Section 79730, twenty-five
15 million dollars (\$25,000,000) shall be available to the state board
16 for competitive grants for special districts and nonprofit
17 organizations for projects that reduce or manage runoff from
18 agricultural lands for the benefit of surface and groundwater
19 quality.

20 79742. From the funds described in Section 79730, the sum of
21 one hundred million dollars (\$100,000,000) shall be available to
22 the Wildlife Conservation Board for wildlife refuges and wildlife
23 habitat areas under Section 3406(d) of Title 34 of Public Law
24 102-575.

25
26 CHAPTER 6:7. DELTA
27

28 ~~79740.~~

29 79750. (a) It is the intent of the ~~Legislature~~ *people* that this
30 chapter provide funds to ~~help implement the following:~~

31 ~~(1) Projects to protect, restore, and enhance the Delta ecosystem~~
32 ~~in a manner that protects and enhances ecosystem, improve the~~
33 ~~water quality, protect the unique cultural, recreational, natural~~
34 ~~resource, and agricultural values of the Delta as an evolving place.~~
35 ~~Delta, and protect the integrity of Delta levees for water~~
36 ~~conveyance and flood control purposes.~~

37 ~~(2) Projects to protect the integrity of Delta levees to safeguard~~
38 ~~the ability to move water through the Delta while simultaneously~~
39 ~~protecting and enhancing the unique cultural, recreational, natural~~
40 ~~resource, and agricultural values of the Delta as an evolving place.~~

1 (b) The sum of one billion ~~two~~ *three* hundred million dollars
 2 ~~(\$1,200,000,000)~~ *(\$1,300,000,000)* shall be available for the
 3 purposes of this chapter.

4 ~~79742.~~

5 ~~79751.~~ (a) From the funds described in Section ~~79740, eight~~
 6 ~~79750, nine~~ hundred million dollars ~~(\$800,000,000)~~ *(\$900,000,000)*
 7 shall be available to the *Sacramento-San Joaquin* Delta
 8 Conservancy for water quality, ecosystem restoration, fish
 9 protection facilities, and community sustainability projects that
 10 benefit the Delta, including, but not limited to, the following:

11 (1) Projects to improve water quality facilities or projects that
 12 contribute to improvements in water quality in the Delta, including
 13 projects in Delta counties that provide multiple public benefits and
 14 improve drinking or agricultural water quality or water supplies.

15 (2) Habitat restoration, conservation, and enhancement projects
 16 to improve the condition of special status, at risk, endangered, or
 17 threatened species in the Delta and the Delta counties, including
 18 projects to eradicate invasive species, and projects that support the
 19 beneficial reuse of dredged material for habitat restoration and
 20 levee improvements.

21 (3) Projects to assist in preserving economically viable and
 22 sustainable agriculture and other economic activities in the Delta,
 23 including local infrastructure projects and projects to mitigate the
 24 economic and community impacts of any conversion of agricultural
 25 land to habitat funded by this section.

26 (4) Multibenefit recycled water projects that improve
 27 groundwater management and Delta tributary ecosystems.

28 (5) Scientific studies and assessments that support the Delta
 29 Science Program as described in Section 85280 or projects
 30 authorized under this section.

31 (b) Of the funds available pursuant to subdivision (a), not less
 32 than five hundred million dollars *(\$500,000,000)* shall be made
 33 available for purposes of paragraphs (1) and (2) of subdivision (a).

34 (c) *Of the funds available pursuant to subdivision (a), not less*
 35 *than three hundred million dollars (\$300,000,000) shall be made*
 36 *available for purposes of paragraph (3) of subdivision (a).*

37 (d) *Of the funds available pursuant to subdivision (a), not less*
 38 *than one hundred million dollars (\$100,000,000) shall be made*
 39 *available for purposes of paragraphs (4) and (5) of subdivision*
 40 *(a).*

1 ~~79744.~~

2 79752. From the funds described in Section ~~79740~~, 79750,
3 four hundred million dollars (\$400,000,000) shall be available to
4 reduce the risk of levee failure and flood in the Delta for any of
5 the following:

6 (a) Local assistance under the Delta levee maintenance
7 subventions program under Part 9 (commencing with Section
8 12980) of Division 6, as that part may be amended.

9 (b) Special flood protection projects under Chapter 2
10 (commencing with Section 12310) of Part 4.8 of Division 6, as
11 that chapter may be amended.

12 (c) Levee improvement projects that increase the resiliency of
13 levees within the Delta to withstand earthquake, flooding, or sea
14 level rise.

15 (d) Emergency response and repair projects.

16

17 ~~CHAPTER 7. WATERSHED AND ECOSYSTEM IMPROVEMENT~~

18

19 ~~79750. (a) It is the intent of the Legislature that this chapter~~
20 ~~provide funds to protect and restore watersheds and urban rivers,~~
21 ~~and address water quality deficiencies at state parks.~~

22 ~~(b) The sum of one billion seven hundred million dollars~~
23 ~~(\$1,700,000,000) shall be available for the purposes of this chapter.~~

24 ~~79752. From the funds described in Section 79750, the sum of~~
25 ~~five hundred million dollars (\$500,000,000) shall be available for~~
26 ~~water quality, river, and watershed protection and restoration~~
27 ~~projects of statewide importance outside of the Delta. Funds~~
28 ~~provided by this section shall be allocated according to the~~
29 ~~following schedule:~~

30 ~~(a) Two hundred fifty million dollars (\$250,000,000) to~~
31 ~~implement the Klamath Hydroelectric Settlement Agreement. Up~~
32 ~~to fifty million dollars (\$50,000,000) of the funds available~~
33 ~~pursuant to this subdivision may be made available for restoration~~
34 ~~projects in California pursuant to the Klamath Basin Restoration~~
35 ~~Agreement if all of the funds available pursuant to this subdivision~~
36 ~~are not needed for dam removal projects.~~

37 ~~(b) One hundred million dollars (\$100,000,000) for projects~~
38 ~~that help fulfill state obligations under the Quantification~~
39 ~~Settlement Agreement, as defined in subdivision (a) of Section 1~~
40 ~~of Chapter 617 of the Statutes of 2002.~~

1 ~~(e) One hundred million dollars (\$100,000,000) for projects that~~
 2 ~~help fulfill state obligations under the San Joaquin River~~
 3 ~~Restoration Settlement, as described in Part I of Subtitle A of Title~~
 4 ~~X of Public Law 111-11.~~

5 ~~(d) Fifty million dollars (\$50,000,000) for projects that help~~
 6 ~~fulfill state obligations under the Tahoe Regional Planning~~
 7 ~~Compact pursuant to Section 66800 of the Government Code.~~
 8 ~~Funds provided by this subdivision shall be approved pursuant to~~
 9 ~~Title 7.42 (commencing with Section 66905) of the Government~~
 10 ~~Code, as those provisions may be amended.~~

11 ~~79754. From the funds described in Section 79750, the sum of~~
 12 ~~eight hundred seventy-five million dollars (\$875,000,000) shall~~
 13 ~~be available for projects that protect and improve California's~~
 14 ~~watersheds, wetlands, forests, and floodplains.~~

15 ~~(a) Funds available pursuant to this section shall be allocated~~
 16 ~~as follows:~~

- 17 ~~(1) Baldwin Hills Conservancy: \$10,000,000.~~
- 18 ~~(2) California Tahoe Conservancy: \$30,000,000.~~
- 19 ~~(3) Coachella Valley Mountains Conservancy: \$20,000,000.~~
- 20 ~~(4) San Diego River Conservancy: \$10,000,000.~~
- 21 ~~(5) San Gabriel and Lower Los Angeles Rivers and Mountains~~
 22 ~~Conservancy: \$40,000,000.~~
- 23 ~~(6) San Joaquin River Conservancy: \$20,000,000.~~
- 24 ~~(7) Santa Monica Mountains Conservancy: \$65,000,000.~~
- 25 ~~(8) Sierra Nevada Conservancy: \$65,000,000.~~
- 26 ~~(9) State Coastal Conservancy: \$350,000,000.~~
- 27 ~~(10) Wildlife Conservation Board: \$215,000,000.~~
- 28 ~~(11) California Ocean Protection Council: \$50,000,000.~~

29 ~~(b) Of the funds allocated to the State Coastal Conservancy~~
 30 ~~pursuant to paragraph (9) of subdivision (a), one hundred~~
 31 ~~twenty-five million dollars (\$125,000,000) are available as follows:~~

- 32 ~~(1) Fifty million dollars (\$50,000,000) shall be available for~~
 33 ~~projects that help restore coastal salmonid populations.~~
- 34 ~~(2) Seventy-five million dollars (\$75,000,000) shall be available~~
 35 ~~for flood control projects on public lands that provide critical flood,~~
 36 ~~water quality, and wetland ecosystem benefits to the San Francisco~~
 37 ~~Bay region.~~

38 ~~79755. (a) From the funds described in Section 79750, two~~
 39 ~~hundred fifty million dollars (\$250,000,000) shall be available to~~
 40 ~~the secretary for a competitive program to fund multibenefit~~

1 watershed and urban rivers enhancement projects in urban
2 watersheds, including watersheds that drain to the San Francisco
3 Bay, that increase regional and local water self-sufficiency and
4 that meet at least two or more of the following objectives:

- 5 (1) Promote groundwater recharge and water reuse.
- 6 (2) Reduce energy consumption.
- 7 (3) Use soils, plants, and natural processes to treat runoff.
- 8 (4) Create or restore native habitat.
- 9 (5) Increase regional and local resiliency and adaptability to
10 climate change.

11 (b) The program described in subdivision (a) shall be
12 implemented by state conservancies, the Wildlife Conservation
13 Board, or other entities designated by the secretary whose
14 jurisdiction includes urban watersheds. The projects are subject
15 to a plan developed jointly by the conservancies, the Wildlife
16 Conservation Board, or other designated entities in consultation
17 with the secretary.

18 (c) At least 25 percent of the funds available pursuant to this
19 section shall be allocated for projects that benefit disadvantaged
20 communities.

21 (d) Up to 10 percent of the funds available pursuant to this
22 section may be allocated for project planning.

23 79756. From the funds described in Section 79750, twenty
24 million dollars (\$20,000,000) shall be available to the Department
25 of Parks and Recreation to address public health deficiencies in
26 drinking water and wastewater quality at state parks.

27 79757. (a) From the funds described in Section 79750, thirty
28 million dollars (\$30,000,000) shall be available to the state board
29 to fund watershed activities by resource conservation districts.

30 (b) To be eligible for the funding available pursuant to this
31 section, the board of a resource conservation district shall be
32 appointed by the local county board of supervisors.

33 79758. From the funds described in Section 79750, twenty-five
34 million dollars (\$25,000,000) shall be available to the state board
35 for competitive grants for special districts and nonprofit
36 organizations for projects that reduce or manage runoff from
37 agricultural lands for the benefit of surface and groundwater
38 quality.

~~CHAPTER 8. WATER STORAGE PROJECTS~~

1
2
3 ~~79760. (a) It is the intent of the Legislature that this chapter~~
4 ~~provide funds to expand the existing capacity to store water in the~~
5 ~~state.~~
6 ~~(b) The sum of one billion twenty-five million dollars~~
7 ~~(\$1,025,000,000) shall be available for the purposes of this chapter.~~
8 ~~79761. From the funds described in Section 79760, one billion~~
9 ~~dollars (\$1,000,000,000) shall be available to the commission for~~
10 ~~water storage projects that meet the requirements of this section,~~
11 ~~including all of the following:~~
12 ~~(a) Projects shall be selected by the commission through a~~
13 ~~competitive public process that ranks projects based on the~~
14 ~~expected public benefits received for public investment.~~
15 ~~(b) Eligible projects consist only of the following:~~
16 ~~(1) Surface storage projects identified in the CALFED Bay-Delta~~
17 ~~Programmatic Record of Decision, dated August 28, 2000, except~~
18 ~~that projects at Lake Shasta shall not be eligible.~~
19 ~~(2) Groundwater storage projects and groundwater~~
20 ~~contamination prevention or remediation projects that create~~
21 ~~additional groundwater storage capacity.~~
22 ~~(3) Conjunctive use and reservoir reoperation projects including~~
23 ~~associated infrastructure.~~
24 ~~(4) Projects that restore the capacity of reservoirs currently~~
25 ~~impaired by sediment buildup, seismic vulnerability, or other~~
26 ~~impairment.~~
27 ~~(5) Projects that result in a permanent reduction of water~~
28 ~~exported from the Delta and a transfer of the equivalent water right~~
29 ~~to instream flow pursuant to Section 1707. Priority shall be given~~
30 ~~to projects that also result in the permanent elimination of irrigation~~
31 ~~runoff contributing to salinity in the San Joaquin Valley.~~
32 ~~(6) Recycled water storage facilities.~~
33 ~~(c) A project within the Delta watershed shall not be funded~~
34 ~~unless it provides measurable improvements to the Delta~~
35 ~~ecosystem.~~
36 ~~(d) Funds allocated pursuant to this section may be expended~~
37 ~~solely for the following public benefits:~~
38 ~~(1) Ecosystem improvements, including, but not limited to,~~
39 ~~changing timing of diversions, improvement in flow conditions,~~

1 temperature, or other benefits that contribute to restoration of
2 aquatic ecosystems and native fish and wildlife.

3 (2) Water quality improvements in the Delta or in other river
4 systems that provide significant public trust resources or that clean
5 up and restore groundwater resources.

6 (3) Flood control benefits, including, but not limited to, increases
7 in flood reservation space in existing reservoirs by exchange for
8 existing or increased water storage benefits.

9 (e) The commission, in consultation with the Department of
10 Fish and Wildlife, the state board, and the department, shall
11 develop and adopt, by regulation, methods for quantification and
12 management of public benefits. The regulations shall include
13 priorities and relative environmental value of ecosystem benefits
14 provided by the Department of Fish and Wildlife and the priorities
15 and relative environmental value of water quality benefits as
16 provided by the state board.

17 (f) Funds shall not be expended pursuant to this chapter for the
18 costs of environmental mitigation measures or compliance
19 obligations except for those associated with providing the public
20 benefits as described in subdivision (d).

21 (g) Any project constructed with funds provided by this section
22 shall be subject to Section 11590.

23 79762. Funds available pursuant to Section 79761 shall not be
24 allocated to a project until the commission approves the project
25 based on the following determinations:

26 (a) The commission has adopted the regulations specified in
27 Section 79761 and specifically quantified and made public the cost
28 of the public benefits associated with the project.

29 (b) The department has entered into a contract with each party
30 that will derive benefits, other than public benefits, from the project
31 that ensures the party will pay its share of the total costs of the
32 project. The benefits available to a party shall be consistent with
33 that party's share of total project costs.

34 (c) The department has entered into a contract with the
35 Department of Fish and Wildlife and the state board, after those
36 agencies have made a finding that the public benefits of the project
37 for which that agency is responsible meet all the requirements of
38 this chapter, to ensure that public contributions of funds pursuant
39 to this chapter achieve the public benefits identified for the project.

1 ~~(d) The commission has held a public hearing for the purposes~~
2 ~~of providing an opportunity for the public to review and comment~~
3 ~~on the information required to be prepared pursuant to this section.~~

4 ~~(e) All of the following conditions are met:~~

5 ~~(1) Feasibility studies have been completed.~~

6 ~~(2) The commission has found and determined that the project~~
7 ~~is feasible, is consistent with all applicable laws and regulations,~~
8 ~~and will advance the long-term objectives of restoring ecological~~
9 ~~health and improving water management, including the beneficial~~
10 ~~uses of the Delta.~~

11 ~~(3) All environmental documentation has been completed and~~
12 ~~all other federal, state, and local approvals, certifications, and~~
13 ~~agreements required to be completed have been obtained.~~

14 ~~(f) The commission shall submit to the fiscal committees and~~
15 ~~the appropriate policy committees of the Legislature its findings~~
16 ~~for each criteria identified in this section for any project funded~~
17 ~~pursuant to this chapter.~~

18 ~~79764. The public benefit cost share of a project funded~~
19 ~~pursuant to this chapter shall not exceed 50 percent of the total~~
20 ~~cost of the project.~~

21 ~~79766. From the funds described in Section 79760, twenty-five~~
22 ~~million dollars (\$25,000,000) shall be available to the department~~
23 ~~for studying the feasibility of additional surface storage projects.~~
24 ~~Funds provided by this section are not available to study the~~
25 ~~feasibility of any storage project identified in the CALFED~~
26 ~~Bay-Delta Programmatic Record of Decision, dated August 28,~~
27 ~~2000.~~

28

29 *CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL*
30 *IMPROVEMENT FOR DROUGHT PREPAREDNESS*

31

32 *79760. (a) Notwithstanding Section 162, the commission may*
33 *make the determinations, findings, and recommendations required*
34 *of it by this chapter independent of the views of the director. All*
35 *final actions by the commission in implementing this chapter shall*
36 *be taken by a majority of the members of the commission at a*
37 *public meeting noticed and held pursuant to the Bagley-Keene*
38 *Open Meeting Act (Article 9 (commencing with Section 11120) of*
39 *Chapter 1 of Part 1 of Division 3 of Title 2 of the Government*
40 *Code).*

1 (b) Notwithstanding Section 13340 of the Government Code,
2 the sum of three billion dollars (\$3,000,000,000) is hereby
3 continuously appropriated from the fund, without regard to fiscal
4 years, to the commission for public benefits associated with water
5 storage projects that improve the operation of the state water
6 system, are cost effective, and provide a net improvement in
7 ecosystem and water quality conditions, in accordance with this
8 chapter. Funds authorized for, or made available to, the
9 commission pursuant to this chapter shall be available and
10 expended only for the purposes provided in this chapter, and shall
11 not be subject to appropriation or transfer by the Legislature or
12 the Governor for any other purpose.

13 (c) Projects shall be selected by the commission through a
14 competitive public process that ranks potential projects based on
15 the expected return for public investment as measured by the
16 magnitude of the public benefits provided, pursuant to criteria
17 established under this chapter.

18 (d) Any project constructed with funds provided by this chapter
19 shall be subject to Section 11590.

20 79761. Projects for which the public benefits are eligible for
21 funding under this chapter consist of only the following:

22 (a) Surface storage projects identified in the CALFED Bay-Delta
23 Program Record of Decision, dated August 28, 2000, except for
24 projects prohibited by Chapter 1.4 (commencing with Section
25 5093.50) of Division 5 of the Public Resources Code.

26 (b) Groundwater storage projects and groundwater
27 contamination prevention or remediation projects that provide
28 water storage benefits.

29 (c) Conjunctive use and reservoir reoperation projects.

30 (d) Local and regional surface storage projects that improve
31 the operation of water systems in the state and provide public
32 benefits.

33 79762. A project shall not be funded pursuant to this chapter
34 unless it provides measurable improvements to the Delta ecosystem
35 or to the tributaries to the Delta.

36 79763. (a) Funds allocated pursuant to this chapter may be
37 expended solely for the following public benefits associated with
38 water storage projects:

39 (1) Ecosystem improvements, including changing the timing of
40 water diversions, improvement in flow conditions, temperature,

1 *or other benefits that contribute to restoration of aquatic*
2 *ecosystems and native fish and wildlife, including those ecosystems*
3 *and fish and wildlife in the Delta.*

4 *(2) Water quality improvements in the Delta, or in other river*
5 *systems, that provide significant public trust resources, or that*
6 *clean up and restore groundwater resources.*

7 *(3) Flood control benefits, including, but not limited to,*
8 *increases in flood reservation space in existing reservoirs by*
9 *exchange for existing or increased water storage capacity in*
10 *response to the effects of changing hydrology and decreasing snow*
11 *pack on California's water and flood management system.*

12 *(4) Emergency response, including, but not limited to, securing*
13 *emergency water supplies and flows for dilution and salinity*
14 *repulsion following a natural disaster or act of terrorism.*

15 *(5) Recreational purposes, including, but not limited to, those*
16 *recreational pursuits generally associated with the outdoors.*

17 *(b) Funds shall not be expended pursuant to this chapter for*
18 *the costs of environmental mitigation measures or compliance*
19 *obligations except for those associated with providing the public*
20 *benefits as described in this section.*

21 *79764. In consultation with the Department of Fish and*
22 *Wildlife, the state board, and the department, the commission shall*
23 *develop and adopt, by regulation, methods for quantification and*
24 *management of public benefits described in Section 79763 by*
25 *December 15, 2016. The regulations shall include the priorities*
26 *and relative environmental value of ecosystem benefits as provided*
27 *by the Department of Fish and Wildlife and the priorities and*
28 *relative environmental value of water quality benefits as provided*
29 *by the state board.*

30 *79765. (a) Except as provided in subdivision (c), funds*
31 *allocated pursuant to this chapter shall not be allocated for a*
32 *project before December 15, 2016, and until the commission*
33 *approves the project based on the commission's determination*
34 *that all of the following have occurred:*

35 *(1) The commission has adopted the regulations specified in*
36 *Section 79764 and specifically quantified and made public the cost*
37 *of the public benefits associated with the project.*

38 *(2) The project applicant has entered into a contract with each*
39 *party that will derive benefits, other than public benefits, as defined*
40 *in Section 79763, from the project that ensures the party will pay*

1 *its share of the total costs of the project. The benefits available to*
2 *a party shall be consistent with that party's share of total project*
3 *costs.*

4 *(3) The project applicant has entered into a contract with each*
5 *public agency identified in Section 79764 that administers the*
6 *public benefits, after that agency makes a finding that the public*
7 *benefits of the project for which that agency is responsible meet*
8 *all the requirements of this chapter, to ensure that the public*
9 *contribution of funds pursuant to this chapter achieves the public*
10 *benefits identified for the project.*

11 *(4) The commission has held a public hearing for the purposes*
12 *of providing an opportunity for the public to review and comment*
13 *on the information required to be prepared pursuant to this*
14 *subdivision.*

15 *(5) All of the following additional conditions are met:*

16 *(A) Feasibility studies have been completed.*

17 *(B) The commission has found and determined that the project*
18 *is feasible, is consistent with all applicable laws and regulations,*
19 *and will advance the long-term objectives of restoring ecological*
20 *health and improving water management for beneficial uses of the*
21 *Delta.*

22 *(C) All environmental documentation associated with the project*
23 *has been completed, and all other federal, state, and local*
24 *approvals, certifications, and agreements required to be completed*
25 *have been obtained.*

26 *(b) The commission shall submit to the Legislature its findings*
27 *for each of the criteria identified in subdivision (a) for a project*
28 *funded pursuant to this chapter.*

29 *(c) Notwithstanding subdivision (a), funds may be made*
30 *available under this chapter for the completion of environmental*
31 *documentation and permitting of a project.*

32 *79766. (a) The public benefit cost share of a project funded*
33 *pursuant to this chapter, other than a project described in*
34 *subdivision (c) of Section 79761, shall not exceed 50 percent of*
35 *the total costs of any project funded under this chapter.*

36 *(b) A project shall not be funded unless it provides ecosystem*
37 *improvements as described in paragraph (1) of subdivision (a) of*
38 *Section 79763 that are at least 50 percent of total public benefits*
39 *of the project funded under this chapter.*

1 79767. (a) A project is not eligible for funding under this
2 chapter unless, by January 1, 2022, all of the following conditions
3 are met:

4 (1) All feasibility studies are complete and draft environmental
5 documentation is available for public review.

6 (2) The commission makes a finding that the project is feasible,
7 and will advance the long-term objectives of restoring ecological
8 health and improving water management for beneficial uses of the
9 Delta.

10 (3) The project applicant receives commitments for not less than
11 75 percent of the nonpublic benefit cost share of the project.

12 (b) If compliance with subdivision (a) is delayed by litigation
13 or failure to promulgate regulations, the date in subdivision (a)
14 shall be extended by the commission for a time period that is equal
15 to the time period of the delay, and funding under this chapter that
16 has been dedicated to the project shall be encumbered until the
17 time at which the litigation is completed or the regulations have
18 been promulgated.

19 79768. Surface storage projects funded pursuant to this chapter
20 and described in subdivision (a) of Section 79761 may be made a
21 unit of the Central Valley Project as provided in Section 11290
22 and may be financed, acquired, constructed, operated, and
23 maintained pursuant to Part 3 (commencing with Section 11100)
24 of Division 6.

25 79769. (a) The funds allocated for the design, acquisition, and
26 construction of surface storage projects identified in the CALFED
27 Bay-Delta Record of Decision, dated August 28, 2000, pursuant
28 to this chapter may be provided for those purposes to local joint
29 powers authorities formed by irrigation districts and other local
30 water districts and local governments within the applicable
31 hydrologic region to design, acquire, and construct those projects.

32 (b) The joint powers authorities described in subdivision (a)
33 may include in their membership governmental partners that are
34 not located within their respective hydrologic regions in financing
35 the surface storage projects, including, as appropriate, cost-share
36 participation or equity participation. Notwithstanding Section
37 6525 of the Government Code, the joint powers authorities
38 described in subdivision (a) shall not include in their membership
39 any for-profit corporation, or any mutual water company whose
40 shareholders and members include a for-profit corporation or any

1 *other private entity. The department shall be an ex officio member*
2 *of each joint powers authority subject to this section, but the*
3 *department shall not control the governance, management, or*
4 *operation of the surface water storage projects.*

5 *(c) A joint powers authority subject to this section shall own,*
6 *govern, manage, and operate a surface water storage project,*
7 *subject to the requirement that the ownership, governance,*
8 *management, and operation of the surface water storage project*
9 *shall advance the purposes set forth in this chapter.*

10 79769.5. *(a) In approving the Safe, Clean, and Reliable*
11 *Drinking Water Supply Act of 2014, the people were informed and*
12 *hereby declare that the provisions of this chapter are necessary,*
13 *integral, and essential to meeting the single object or work of the*
14 *Safe, Clean, and Reliable Drinking Water Supply Act of 2014. As*
15 *such, any amendment of the provisions of this chapter by the*
16 *Legislature without voter approval would frustrate the scheme*
17 *and design that induced voter approval of this act. The people*
18 *therefore find and declare that any amendment of the provisions*
19 *of this chapter by the Legislature shall require an affirmative vote*
20 *of two-thirds of the membership in each house of the Legislature*
21 *and voter approval.*

22 *(b) This section shall not govern or be used as authority for*
23 *determining whether the amendment of any other provision of this*
24 *act not contained in this chapter would constitute a substantial*
25 *change in the scheme and design of this act requiring voter*
26 *approval.*

27
28 CHAPTER 9. GENERAL PROVISIONS
29

30 79770. The proceeds of bonds issued and sold pursuant to this
31 division shall be deposited ~~in~~ into the Safe Drinking Water, Water
32 Quality, and Water Supply Fund of 2014, which is hereby created
33 in the State Treasury. Moneys in the fund shall be available, upon
34 appropriation by the Legislature, in the manner and for the purposes
35 set forth in this division.

36 79772. An amount that equals not more than 5 percent of the
37 funds allocated for a program pursuant to this division may be
38 used to pay the administrative costs of that program.

39 79774. Up to 10 percent of funds allocated for each program
40 funded by this division may be used to finance planning and

1 monitoring necessary for the successful design, selection, and
2 implementation of the projects authorized under that program.
3 This section shall not otherwise restrict funds ordinarily used by
4 an agency for “preliminary plans,” “working drawings,” and
5 “construction” as defined in the annual Budget Act for a capital
6 outlay project or grant project. Water quality monitoring data shall
7 be collected and reported to the state board in a manner that is
8 compatible and consistent with surface water monitoring data
9 systems or groundwater monitoring data systems administered by
10 the state board.

11 79776. Chapter 3.5 (commencing with Section 11340) of Part
12 1 of Division 3 of Title 2 of the Government Code does not apply
13 to the development or implementation of programs or projects
14 authorized or funded under this division other than Chapter 6 8
15 (commencing with Section 79760).

16 79778. (a) Prior to disbursing grants or loans pursuant to this
17 division, each state agency that is required to administer a financial
18 assistance program under this division shall develop project
19 solicitation and evaluation guidelines. The guidelines may include
20 a limitation on the dollar amount of grants to be awarded. If the
21 state agency has previously developed and adopted project
22 solicitation and evaluation guidelines that meet the requirements
23 of this division, it may use those guidelines.

24 (b) Prior to disbursing funds pursuant to this division, the state
25 agency shall conduct public meetings to consider public comments
26 prior to finalizing the guidelines, as determined to be necessary
27 by the implementing state agency. The state agency shall publish
28 the draft solicitation and evaluation guidelines on its Internet Web
29 site at least 30 days before any public meetings. Upon adoption,
30 the state agency shall transmit copies of the guidelines to the fiscal
31 committees and the appropriate policy committees of the
32 Legislature.

33 (c) Projects funded with proceeds from this division shall
34 promote state planning priorities consistent with the provisions of
35 Section 65041.1 of the Government Code and sustainable
36 communities strategies consistent with the provisions of
37 subparagraph (B) of paragraph (2) of subdivision (b) of Section
38 65080 of the Government Code.

39 (d) To the extent feasible, in implementing Section ~~79742,~~
40 *79751*, the *Sacramento-San Joaquin* Delta Conservancy shall seek

1 to achieve wildlife conservation objectives through projects on
2 public lands or voluntary projects on private lands. Funds available
3 pursuant to Section ~~79742~~ 79751 may be used, in consultation
4 with the Department of Fish and Wildlife, for payments to
5 landowners for the creation of measurable habitat improvements
6 or other improvements to the condition of endangered or threatened
7 species. The *Sacramento-San Joaquin* Delta Conservancy may
8 develop and implement a competitive *program for habitat-credit*
9 ~~exchange mechanism in order to maximize enhancements that~~
10 *maximizes* voluntary landowner participation in projects that
11 provide measurable *and long-lasting* habitat or species
12 improvements in the Delta. These funds shall not be used to
13 subsidize or decrease the mitigation obligations of any party.

14 (e) In implementing Section ~~79742~~, 79751, the *Sacramento-San*
15 *Joaquin* Delta Conservancy shall coordinate, cooperate, and consult
16 with the city or county in which a grant is proposed to be expended
17 or an interest in real property is proposed to be acquired and with
18 the Delta Protection Commission. Acquisitions pursuant to Section
19 ~~79742~~ 79751 shall be from willing sellers only.

20 (f) In implementing Section ~~79742~~, 79751, the *Sacramento-San*
21 *Joaquin* Delta Conservancy shall require grantees to demonstrate
22 how local economic impacts, including impacts related to the loss
23 of agricultural lands, will be mitigated.

24 (g) Funds provided by this division shall not be used to acquire
25 land via eminent domain. ~~Funds from this division may be used~~
26 ~~to acquire property from willing sellers.~~

27 (h) Restoration and ecosystem protection projects funded by
28 this division shall use the services of the California Conservation
29 Corps or certified community conservation corps, as defined in
30 Section 14507.5 of the Public Resources Code, whenever feasible.

31 (i) It is the intent of the ~~Legislature~~ *people* that California's
32 working agricultural *and forested* landscapes be preserved wherever
33 possible. To the extent feasible, watershed objectives included in
34 this division should be achieved through use of conservation
35 easements and voluntary landowner participation, including, but
36 not limited to, the use of easements pursuant to Division 10.4
37 (commencing with Section 10330) and Division 10.2 (commencing
38 with Section 10200) of the Public Resources Code and voluntary
39 habitat credit exchange mechanisms.

1 (j) *It is the intent of the people that any funds allocated pursuant*
2 *to this division to an investor-owned utility regulated by the Public*
3 *Utilities Commission or a mutual water company should be for*
4 *the benefit of the ratepayers or the public and not the investors.*

5 (k) *In allocating funds pursuant to Section 79721, 79722, or*
6 *79731, the state board shall consider a written statement prepared*
7 *by a local agency formation commission regarding the*
8 *consolidation or extension of, or other shared solutions for, water*
9 *or sewer services.*

10 79780. It is the intent of the people that:

11 (a) The investment of public funds pursuant to this division
12 result in public benefits.

13 (b) Special consideration be given to projects that employ new
14 or innovative technology or practices, including decision support
15 tools that demonstrate the multiple benefits of integration of
16 multiple jurisdictions, including, but not limited to, water supply,
17 flood control, land use, and sanitation.

18 79782. The State Auditor shall annually conduct a
19 programmatic review and an audit of expenditures from the fund.
20 The State Auditor shall report its findings annually on or before
21 March 1 to the Governor and the Legislature, and shall make the
22 findings available to the public.

23 79783. Funds provided by this division shall be expended in
24 a manner consistent with the applicable regional water quality
25 control plan adopted pursuant to Chapter 4 (commencing with
26 Section 13200) of Division 7 in effect at the time the project is
27 approved.

28 79784. (a) Funds provided by this division shall not be used
29 to support or pay for the costs of environmental mitigation
30 measures or compliance obligations of any party except as part of
31 the environmental mitigation costs of projects financed by this
32 division. Funds provided by this division may be used for
33 environmental enhancements or other public benefits.

34 (b) Funds provided by this division shall not be expended for
35 the acquisition or transfer of water rights except for a permanent
36 dedication of water approved in accordance with Section 1707
37 where the state board specifies that the water is in addition to water
38 that is required for regulatory requirements as provided in
39 subdivision (c) of Section 1707. The requirement that a dedication
40 of water be permanent shall not preclude the expenditure of funds

1 provided by this division for the initiation of the dedication as a
2 short term or temporary urgency change, that is approved in
3 accordance with Section 1707 and either Chapter 6.6 (commencing
4 with Section 1435) of, or Chapter 10.5 (commencing with Section
5 1725) of, Part 2 of Division 2, during the period required to prepare
6 any environmental documentation and for approval of permanent
7 dedication.

8 79786. Funds provided by this division shall not be expended
9 to pay costs associated with design, construction, operation,
10 maintenance, or mitigation of new Delta conveyance facilities.

11 79788. The Legislature may enact legislation necessary to
12 implement programs funded by this division.

13 79790. (a) Eligible applicants under this division are public
14 agencies, nonprofit organizations, public utilities, mutual water
15 companies, and Indian tribes having a federally recognized
16 governing body carrying out substantial governmental duties in,
17 and powers over, any area. To be eligible for funding under this
18 division, a project proposed by a public utility that is regulated by
19 the Public Utilities Commission or a mutual water company shall
20 have a clear and definite public purpose and shall benefit the
21 customers of the water system.

22 (b) (1) *To be eligible for funding under this division, an urban*
23 *water supplier shall adopt and submit an urban water management*
24 *plan in accordance with the Urban Water Management Planning*
25 *Act (Part 2.6 (commencing with Section 10610) of Division 6).*

26 (2) *To be eligible for funding under this division, an agricultural*
27 *water supplier shall adopt and submit an agricultural water*
28 *management plan in accordance with the Agricultural Water*
29 *Management Planning Act (Part 2.8 (commencing with Section*
30 *10800) of Division 6).*

31 (3) *In accordance with Section 10608.56, an agricultural water*
32 *supplier or an urban water supplier is ineligible for funding under*
33 *this division unless it complies with the requirements of Part 2.55*
34 *(commencing with Section 10608) of Division 6.*

35 79792. (a) This division does not diminish, impair, or
36 otherwise affect in any manner whatsoever any area of origin,
37 watershed of origin, county of origin, or any other water rights
38 protections, including, but not limited to, rights to water
39 appropriated prior to December 19, 1914, provided under the law.
40 This division does not limit or otherwise affect the application of

1 Article 1.7 (commencing with Section 1215) of Chapter 1 of Part
2 2 of Division 2, Sections 10505, 10505.5, 11128, 11460, 11461,
3 11462, and 11463, and Sections 12200 to 12220, inclusive.

4 (b) For the purposes of this division, an area that utilizes water
5 that has been diverted and conveyed from the Sacramento River
6 hydrologic region, for use outside the Sacramento River hydrologic
7 region or the Delta, shall not be deemed to be immediately adjacent
8 thereto or capable of being conveniently supplied with water
9 therefrom by virtue or on account of the diversion and conveyance
10 of that water through facilities that may be constructed for that
11 purpose after January 1, 2014.

12 (c) Nothing in this division supersedes, limits, or otherwise
13 modifies the applicability of Chapter 10 (commencing with Section
14 1700) of Part 2 of Division 2, including petitions related to any
15 new conveyance constructed or operated in accordance with
16 Chapter 2 (commencing with Section 85320) of Part 4 of Division
17 35.

18 (d) Unless otherwise expressly provided, nothing in this division
19 supersedes, reduces, or otherwise affects existing legal protections,
20 both procedural and substantive, relating to the state board's
21 regulation of diversion and use of water, including, but not limited
22 to, water-right ~~rights~~ priorities, the protection provided to municipal
23 interests by Sections 106 and 106.5, and changes in water rights.
24 Nothing in this division expands or otherwise alters the state
25 board's existing authority to regulate the diversion and use of water
26 or the courts' existing concurrent jurisdiction over California water
27 rights.

28 (e) Nothing in this division limits or otherwise affects the
29 application of Chapter 2 (commencing with Section 85320) of Part
30 4 of Division 35.

31 (f) Nothing in this division shall be construed to affect the
32 California Wild and Scenic Rivers Act (Chapter 1.4 (commencing
33 with Section 5093.50) of Division 5 of the Public Resources Code)
34 *or the federal Wild and Scenic Rivers Act (16 U.S.C. Sec. 1271 et*
35 *seq.)*, and funds available pursuant to this division shall not be
36 available for any project that could have an adverse effect on the
37 free flowing condition of a wild and scenic river or any other river
38 afforded protections pursuant to the California Wild and Scenic
39 Rivers Act *or the federal Wild and Scenic Rivers Act (16 U.S.C.*
40 *Sec. 1271 et seq.)*.

1 (g) *Nothing in this division shall be construed to affect any*
 2 *contract entered into before January 1, 2013, between the State*
 3 *of California and one or more of the delta water agencies pursuant*
 4 *to the authority granted under Chapter 283 of the Statutes of 1973,*
 5 *Chapter 1089 of the Statutes of 1973, or Chapter 1133 of the*
 6 *Statutes of 1973, as those chapters may have been amended.*

7 79794. *All funds provided by this division shall be administered*
 8 *and expended pursuant to existing law, as those provisions may*
 9 *be amended, including, but not limited to, the Sacramento-San*
 10 *Joaquin Delta Reform Act of 2009 (Division 35 (commencing with*
 11 *Section 85000), unless explicitly exempted by this division).*

12
 13 CHAPTER 10. FISCAL PROVISIONS
 14

15 79820. (a) Bonds in the total amount of ~~six billion eight~~
 16 ~~hundred twenty-five million dollars (\$6,825,000,000),~~ *ten billion*
 17 *five hundred million dollars (\$10,500,000,000),* or so much thereof
 18 as is necessary, not including the amount of any refunding bonds
 19 issued in accordance with Section 79840 may be issued and sold
 20 to provide a fund to be used for carrying out the purposes expressed
 21 in this division and to reimburse the General Obligation Bond
 22 Expense Revolving Fund pursuant to Section 16724.5 of the
 23 Government Code. The bonds, when sold, shall be and constitute
 24 a valid and binding obligation of the State of California, and the
 25 full faith and credit of the State of California is hereby pledged
 26 for the punctual payment of both principal of, and interest on, the
 27 bonds as the principal and interest become due and payable.

28 (b) The Treasurer shall sell the bonds authorized by the finance
 29 committee pursuant to this section. The bonds shall be sold upon
 30 the terms and conditions specified in a resolution to be adopted
 31 by the finance committee pursuant to Section 16731 of the
 32 Government Code.

33 79822. The bonds authorized by this division shall be prepared,
 34 executed, issued, sold, paid, and redeemed as provided in the State
 35 General Obligation Bond Law (Chapter 4 (commencing with
 36 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
 37 Code), and all of the provisions of that law apply to the bonds and
 38 to this division and are hereby incorporated in this division as
 39 though set forth in full in this division, except subdivisions (a) and
 40 (b) of Section 16727 of the Government Code.

1 79824. (a) Solely for the purpose of authorizing the issuance
2 and sale pursuant to the State General Obligation Bond Law
3 (Chapter 4 (commencing with Section 16720) of Part 3 of Division
4 4 of Title 2 of the Government Code) of the bonds authorized by
5 this division, the Safe Drinking Water, Water Quality, and Water
6 Supply Finance Committee is hereby created. For purposes of this
7 division, the Safe Drinking Water, Water Quality, and Water
8 Supply Finance Committee is ~~“the committee”~~ *the “committee”*
9 as that term is used in the State General Obligation Bond Law.
10 The finance committee consists of the Director of Finance, the
11 Treasurer, the Controller, the Director of Water Resources, and
12 the Secretary of the Natural Resources Agency, or their designated
13 representatives. The Treasurer shall serve as chairperson of the
14 finance committee. A majority of the finance committee may act
15 for the finance committee.

16 (b) For purposes of the State General Obligation Bond Law, the
17 Department of Water Resources is designated the “board.”

18 79826. The finance committee shall determine whether or not
19 it is necessary or desirable to issue bonds authorized pursuant to
20 this division in order to carry out the actions specified in this
21 division and, if so, the amount of bonds to be issued and sold.
22 Successive issues of bonds may be authorized and sold to carry
23 out those actions progressively, and it is not necessary that all of
24 the bonds authorized to be issued be sold at any one time.

25 79828. There shall be collected each year and in the same
26 manner and at the same time as other state revenue is collected,
27 in addition to the ordinary revenues of the state, a sum in an amount
28 required to pay the principal of, and interest on, the bonds each
29 year. It is the duty of all officers charged by law with any duty in
30 regard to the collection of the revenue to do and perform each and
31 every act that is necessary to collect that additional sum.

32 79830. Notwithstanding Section 13340 of the Government
33 Code, there is hereby appropriated from the General Fund in the
34 State Treasury, for the purposes of this division, an amount that
35 will equal the total of the following:

36 (a) The sum annually necessary to pay the principal of, and
37 interest on, bonds issued and sold pursuant to this division, as the
38 principal and interest become due and payable.

39 (b) The sum necessary to carry out Section 79832, appropriated
40 without regard to fiscal years.

1 79832. For the purposes of carrying out this division, the
2 Director of Finance may authorize the withdrawal from the General
3 Fund of an amount not to exceed the amount of the unsold bonds
4 that have been authorized by the finance committee to be sold for
5 the purpose of carrying out this division less any amount borrowed
6 pursuant to Section 79838. Any amounts withdrawn shall be
7 deposited in the fund. Any moneys made available under this
8 section shall be returned to the General Fund from proceeds
9 received from the sale of bonds for the purpose of carrying out
10 this division.

11 79834. All moneys deposited in the fund that are derived from
12 premium and accrued interest on bonds sold shall be reserved in
13 the fund and shall be available for transfer to the General Fund as
14 a credit to expenditures for bond interest, except that amounts
15 derived from premium may be reserved and used to pay the cost
16 of bond issuance prior to any transfer to the General Fund.

17 79836. Pursuant to Chapter 4 (commencing with Section
18 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
19 the cost of bond issuance shall be paid out of the bond proceeds,
20 including premium, if any. To the extent the cost of bond issuance
21 is not paid from premiums received from the sale of bonds, the
22 cost shall be shared proportionally by each program funded through
23 this division by the applicable bond sale.

24 79838. The board may request the Pooled Money Investment
25 Board to make a loan from the Pooled Money Investment Account,
26 in accordance with Section 16312 of the Government Code for the
27 purpose of carrying out this division less any amount withdrawn
28 pursuant to Section 79832. The amount of the request shall not
29 exceed the amount of the unsold bonds that the finance committee,
30 by resolution, has authorized to be sold for the purpose of carrying
31 out this division. The board shall execute any documents required
32 by the Pooled Money Investment Board to obtain and repay the
33 loan. Any amounts loaned shall be deposited in the fund to be
34 allocated in accordance with this division.

35 79840. The bonds issued and sold pursuant to this division
36 may be refunded in accordance with Article 6 (commencing with
37 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
38 the Government Code, which is a part of the State General
39 Obligation Bond Law. Approval by the voters of the state for the
40 issuance of the bonds under this division shall include the approval

1 of the issuance of any bonds issued to refund any bonds originally
2 issued under this division or any previously issued refunding bonds.
3 79842. Notwithstanding any other provision of this division,
4 or of the State General Obligation Bond Law, if the Treasurer sells
5 bonds pursuant to this division that include a bond counsel opinion
6 to the effect that the interest on the bonds is excluded from gross
7 income for federal tax purposes, under designated conditions or
8 is otherwise entitled to any federal tax advantage, the Treasurer
9 may maintain separate accounts for the investment of bond
10 proceeds and for the investment of earnings on those proceeds.
11 The Treasurer may use or direct the use of those proceeds or
12 earnings to pay any rebate, penalty, or other payment required
13 under federal law or take any other action with respect to the
14 investment and use of those bond proceeds required or desirable
15 under federal law to maintain the tax exempt status of those bonds
16 and to obtain any other advantage under federal law on behalf of
17 the funds of this state.

18 79844. The proceeds from the sale of bonds authorized by this
19 division are not “proceeds of taxes” as that term is used in Article
20 XIII B of the California Constitution, and the disbursement of
21 these proceeds is not subject to the limitations imposed by that
22 article.

23 ~~SEC. 3. The Legislature may appropriate funds from any of~~
24 ~~the following sources for grants and direct expenditures to~~
25 ~~accomplish the purposes of Chapter 5 (commencing with Section~~
26 ~~79730) of Division 26.7 of the Water Code:~~

27 *SEC. 3. (a) The Legislature finds and declares that*
28 *voter-approved bonds enacted in the past include funding for*
29 *projects that are either no longer necessary or not as vital as other*
30 *projects to the continued supply of safe, clean, and affordable*
31 *water California needs today. Today’s electorate should have the*
32 *choice to redirect proceeds from bonds approved decades ago to*
33 *superior uses given California’s changing water supply needs.*

34 *(b) Notwithstanding any other provision of law and without*
35 *limiting any other authorized use, any unencumbered proceeds of*
36 *bonds in the following bond funds as of November 5, 2014, may*
37 *be appropriated by the Legislature for one or more of the purposes*
38 *of Sections 79724, 79729, and 79732 of the Water Code, including,*
39 *but not limited to, making grants as provided in those provisions*

1 *rather than for the purposes described in the bond acts pursuant*
2 *to which the bonds were issued:*

3 ~~(a) Notwithstanding the Water Conservation and Water Quality~~
4 ~~Bond Law of 1986, the 1986~~

5 *(1) The 1986 Water Conservation and Water Quality Bond Fund*
6 *created pursuant to Section 13453 of the Water Code.*

7 ~~(b) Notwithstanding the Water Conservation Bond Law of 1988,~~
8 ~~the 1988~~

9 *(2) The 1988 Water Conservation Fund created pursuant to*
10 *Section 12879.3 of the Water Code.*

11 ~~(c) Notwithstanding the Safe, Clean, Reliable Water Supply~~
12 ~~Act of 1996, the Safe,~~

13 *(3) The Safe, Clean, Reliable Water Supply Fund created*
14 *pursuant to Section 78505 of the Water Code and any accounts*
15 *therein.*

16 ~~(d) Notwithstanding the Costa-Machado Water Act of 2000,~~
17 ~~the Safe~~

18 *(4) The Safe Drinking Water, Clean Water, Watershed*
19 *Protection, and Flood Protection Bond Fund created pursuant to*
20 *Section 79013 of the Water Code and any accounts therein.*

21 *(c) Prior to a grant or any other application of any*
22 *unencumbered proceeds of bonds for the purposes of Sections*
23 *79724, 79729, and 79732 of the Water Code, either the finance*
24 *committee as created by Section 79824 of the Water Code or the*
25 *State Water Resources Control Board, whomever is approving the*
26 *applicable grant or otherwise applying the bond proceeds, shall*
27 *consult with the office of the Treasurer to determine whether the*
28 *application of the bond proceeds to the particular purpose and*
29 *the related operation and administration of any related project*
30 *complies with any federal income tax restrictions and any*
31 *contractual agreements then in effect relating to the applicable*
32 *bonds.*

33 SEC. 4. Section 2 of Chapter 3 of the Seventh Extraordinary
34 Session of the Statutes of 2009, as amended by Section 1 of
35 Chapter 74 of the Statues of 2012, is repealed.

36 SEC. 5. Sections 2 and 3 of this act shall be submitted to the
37 voters at the November 4, 2014, statewide general election in
38 accordance with provisions of the Government Code and the
39 Elections Code governing the submission of a statewide measure
40 to the voters.

1 SEC. 6. Sections 2 and 3 of this act shall take effect upon the
2 approval by the voters of the Safe Drinking Water, Water Quality,
3 and Water Supply Act of 2014, as set forth in that section at the
4 November 4, 2014, statewide general election.

5 *SEC. 7. It is the intent of the Legislature to enact legislation*
6 *during the 2013–14 Regular Session that would develop statewide*
7 *groundwater management plan requirements.*

8 ~~SEC. 7.~~

9 SEC. 8. This act is an urgency statute necessary for the
10 immediate preservation of the public peace, health, or safety within
11 the meaning of Article IV of the Constitution and shall go into
12 immediate effect. The facts constituting the necessity are:

13 In order to fund safe drinking water, water quality, and water
14 supply at the earliest possible date, it is necessary that this act take
15 effect immediately.